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SENATE BILL

No. 437

Introduced by Senator Escutia

(Principal coauthors: Senators Alquist, Migden, and Perata)
(Principal coauthor: Assembly Member Chan)

**(Coauthors: Senators Chesbro, Ducheny, Figueroa, Kuehl,
Romero, and Torlakson)**

(Coauthors: Assembly Members Dymally, Jones, Laird, and Pavley)

February 17, 2005

~~An act to amend Section 49557.2 of the Education Code, to amend Sections 123280 and 123290 of the Health and Safety Code, to amend Sections 12693.43, 12693.73, 12693.98, and 12693.981 of, to add Sections 12693.22, 12693.415, 12693.445, 12693.702, 12693.983, and 12693.984 to, and to add Chapter 17 (commencing with Section 12693.99) An act to amend Sections 12693.70, 12693.98, 12693.981, 12699.51, and 12699.52 of, and to add Sections 12699.64, 12699.65, and 12699.66 to, and to add Chapter 17 (commencing with Section 12694) to Part 6.2 of Division 2 of, the Insurance Code, and to amend Sections 14005.23, 14005.41, 14154, and 18925 of, and to add~~

~~Sections 14005.43, 14005.71, 14011.67, and 14013.5 to, the amend Section 14011.65 of, and to add Section 14067.3 to, the Welfare and Institutions Code, relating to health care coverage.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 437, as amended, Escutia. ~~California Healthy Kids Insurance Program. Health care coverage.~~

(1) Existing law establishes various public programs to provide health care coverage to eligible children, including the Medi-Cal program administered by the State Department of Health Services and county welfare agencies, and the Healthy Families Program administered by the Managed Risk Medical Insurance Board. Children through 18 years of age are eligible for health care coverage under these programs if they meet certain household income and other requirements. ~~Existing law authorizes information sharing with respect to children eligible for free school lunches in order to facilitate their enrollment in the health care programs.~~

This bill would create the California Healthy Kids Insurance Program, which would consist of the portion of the Medi-Cal program that provides health care coverage to ~~children persons under 21 years of age~~ and the Healthy Families Program. The bill would require that the California Healthy Kids Insurance Program be operated ~~as a joint partnership~~ by the State Department of Health Services and the Managed Risk Medical Insurance Board ~~in a streamlined manner, with eligible children to be and would deem persons enrolled in one this program or the other, as appropriate if enrolled in the Medi-Cal program or the Healthy Families Program.~~ The bill would accelerate the process for making eligibility determinations for the California Healthy Kids Insurance Program by authorizing the administering agencies to rely on income eligibility determinations made by other public assistance programs, including reduced price school lunch programs, the California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and the Food Stamp Program. The bill would authorize applicants for the California Healthy Kids Insurance Program to self-certify their family income and other eligibility factors, and would provide for the administering agency to request documentation and verify information only to the extent necessary to determine eligibility and as required by federal law. The bill would expand eligibility for the Healthy Families Program and the

~~Healthy Families Program element of the California Healthy Kids Insurance Program by allowing children with family incomes up to 300% of the federal poverty level to qualify and by otherwise liberalizing enrollment requirements. The bill would enact certain privacy and confidentiality provisions relative to Healthy Families Program applicants and enrollees. The bill would create the California Healthy Kids Expert Panel to advise the administering agencies on various matters. The bill would require the administering agencies to award local enrollment investment grants from available funds to local and regional children's health initiative activities designed to increase and retain the enrollment of children in health care coverage. The bill would require the Secretary of the Health and Human Services Agency to coordinate local children's health insurance programs with certain state and federally funded programs. The bill would make various related modifications to the Medi-Cal and Healthy Families programs. The bill would require the Managed Risk Medical Insurance Board to undertake pilot demonstration projects to test strategies and gather data relative to increasing health care coverage for uninsured children in families with incomes above 300% of the federal poverty level. The bill would require the board to develop materials for distribution by state agencies to small business employers regarding availability of purchasing pool coverage. The bill would require the California Health and Human Services Agency in conjunction with the Secretary of Labor and Workforce Development and the Secretary of Business, Transportation and Housing to establish a task force relative to increasing employer health care coverage of children. The bill would enact related provisions and state the intent of the Legislature relative to certain other provisions, and would provide for a phase-in of its provisions over several years. Because the modifications to the Medi-Cal program would impose certain duties on counties relative to administration of that program, the bill would impose a state-mandated local program~~ *The bill would require the board and the department, in collaboration with other specified parties, including local agencies that administer the Medi-Cal program, to design, implement, and promulgate policies and procedures for an automated enrollment gateway system within the California Healthy Kids Insurance Program to perform designated functions. The bill would also require the board and the department to establish a simplified annual renewal form for enrollees in the Healthy Families Program and the Medi-Cal program. The bill would*

require the California Healthy Kids Insurance Program to educate families about, and enroll individuals in, the most beneficial Healthy Families Program or Medi-Cal program component and to promote voluntary participation by employers in providing health care coverage to employees' children. By requiring counties, as administrators of the Medi-Cal program, to collaborate on the automated enrollment gateway system, the bill would increase their duties, thereby imposing a state-mandated local program.

~~(2) Existing law creates the Healthy Families Fund, and provides that money in the fund is continuously appropriated for purposes of the Healthy Families Program.~~

~~This bill would provide that the Managed Risk Medical Insurance Board may implement this act, including the expansion of the Healthy Families Program, only to the extent that funds are appropriated for the purposes of the act in the annual Budget Act or in another statute.~~

~~(3) This bill would incorporate additional changes to Section 12693.43 of the Insurance Code to become operative only if this bill and SB 23 are both enacted and this bill is enacted last.~~

~~(4)–~~

(2) Existing law creates the Medi-Cal to Healthy Families Bridge Benefits Program (Medi-Cal Bridge Program) and the Healthy Families-to-Medi-Cal Bridge Benefits Program (Healthy Families Bridge Program) that are administered by the Managed Risk Medical Insurance Board as part of the Healthy Families Program and continuously appropriates the Healthy Families Fund to the board for purposes of the Healthy Families Program. Under existing law, the Medi-Cal Bridge Program provides a child who meets specified eligibility requirements, including having a family income at or below 200% of the federal poverty level, one-calendar month of health care benefits while applying for the Healthy Families Program, and the Healthy Families Bridge Program provides a person who meets certain eligibility requirements 2 calendar months of health care benefits while applying for the Medi-Cal program.

This bill would delete the family income eligibility requirement under the Medi-Cal Bridge Program and would delete the time limit for benefits under both bridge programs, providing health care benefits under the Medi-Cal Bridge Program and the Healthy Families Bridge Program until the person's eligibility for the Healthy Families Program or the Medi-Cal program, respectively, has been determined. This bill would require the board or department to enroll

an eligible person in the Healthy Families Program or the Medi-Cal program and to terminate benefits under the bridge programs for ineligible persons. The bill would provide that the board may implement these provisions only to the extent that funds are appropriated for these purposes in the annual Budget Act or in another statute.

(3) Existing law creates the County Health Initiative Matching Fund, which is administered by the Managed Risk Medical Insurance Board, and authorizes a local entity, as specified, to apply to the board for funding to provide health care coverage to persons who meet specified criteria.

This bill would establish the Local Children's Health Insurance Program Interim Account within this fund. The bill would make the board responsible for administering the account and would authorize a local children's health insurance program, as defined, to apply to the board for funding to pay the premium cost of health care coverage for children meeting specified criteria.

(4) Existing law requires the state, to the extent authorized by federal law, to administer the Medi-Cal to Healthy Families Acceleration Enrollment Program. Under existing law, the program provides temporary health benefits for a child who meets specified eligibility requirements, including being eligible for full scope Medi-Cal with a share of cost and consenting to sharing specified information with the Healthy Families Program.

This bill would increase the number of children eligible under this program by deleting these eligibility requirements. Because the bill would thereby increase duties performed by counties relative to their administration of the Medi-Cal program, it would impose a state-mandated local program.

(5) Existing law requires the State Department of Health Services, in conjunction with the Managed Risk Medical Insurance Board, to develop and conduct a program to assist families to apply for the Medi-Cal program and the Healthy Families Program.

This bill would authorize a county to submit an outreach, enrollment, and retention plan, meeting specified criteria, to the department for the purpose of promoting children's enrollment and utilization of state public health care coverage programs. The bill would require the department to maintain an allocation program to manage and fund those plans. The bill would specify that funding for

the allocation program would be provided in the annual Budget Act or other statute.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12693.70 of the Insurance Code is
2 amended to read:
3 12693.70. To be eligible to participate in the program, an
4 applicant shall meet all of the following requirements:
5 (a) Be an applicant applying on behalf of an eligible child,
6 which means a child who is all of the following:
7 (1) Less than 19 years of age. An application may be made on
8 behalf of a child not yet born up to three months prior to the
9 expected date of delivery. Coverage shall begin as soon as
10 administratively feasible, as determined by the board, after the
11 board receives notification of the birth. However, no child less
12 than 12 months of age shall be eligible for coverage until 90 days
13 after the enactment of the Budget Act of 1999.
14 (2) Not eligible for no-cost full-scope Medi-Cal or Medicare
15 coverage at the time of application.
16 (3) In compliance with Sections 12693.71 and 12693.72.
17 (4) A child who meets citizenship and immigration status
18 requirements that are applicable to persons participating in the
19 program established by Title XXI of the Social Security Act,
20 except as specified in Section 12693.76.
21 (5) A resident of the State of California pursuant to Section
22 244 of the Government Code; or, if not a resident pursuant to
23 Section 244 of the Government Code, is physically present in
24 California and entered the state with a job commitment or to seek

1 employment, whether or not employed at the time of application
2 to or after acceptance in, the program.

3 (6) (A) In either of the following:

4 (i) In a family with an annual or monthly household income
5 equal to or less than 200 percent of the federal poverty level.

6 (ii) When implemented by the board, subject to subdivision (b)
7 of Section 12693.765 and pursuant to this section, a child under
8 the age of two years who was delivered by a mother enrolled in
9 the Access for Infants and Mothers Program as described in Part
10 6.3 (commencing with Section 12695). For purposes of this
11 clause, any infant born to a woman whose enrollment in the
12 Access for Infants and Mothers Program begins after June 30,
13 2004, shall be automatically enrolled in the Healthy Families
14 Program. This enrollment shall cover the first 12 months of the
15 infant's life. At the end of the 12 months, as a condition of
16 continued eligibility, the applicant shall provide income
17 information. The infant shall be disenrolled if the gross annual
18 household income exceeds the income eligibility standard that
19 was in effect in the Access for Infants and Mothers Program at
20 the time the infant's mother became eligible, or following the
21 ~~two-month~~ period established in Section 12693.981 if the infant
22 is eligible for Medi-Cal with no share of cost. At the end of the
23 second year, infants shall again be screened for program
24 eligibility pursuant to this section, with income eligibility
25 evaluated pursuant to clause (i), subparagraphs (B) and (C), and
26 paragraph (2) of subdivision (a).

27 (B) All income over 200 percent of the federal poverty level
28 but less than or equal to 250 percent of the federal poverty level
29 shall be disregarded in calculating annual or monthly household
30 income.

31 (C) In a family with an annual or monthly household income
32 greater than 250 percent of the federal poverty level, any income
33 deduction that is applicable to a child under Medi-Cal shall be
34 applied in determining the annual or monthly household income.
35 If the income deductions reduce the annual or monthly household
36 income to 250 percent or less of the federal poverty level,
37 subparagraph (B) shall be applied.

38 (b) If the applicant is applying for the purchasing pool, and
39 does not have a family contribution sponsor the applicant shall
40 pay the first month's family contribution and agree to remain in

1 the program for six months, unless other coverage is obtained
2 and proof of the coverage is provided to the program.

3 (c) An applicant shall enroll all of the applicant's eligible
4 children in the program.

5 (d) In filing documentation to meet program eligibility
6 requirements, if the applicant's income documentation cannot be
7 provided, as defined in regulations promulgated by the board, the
8 applicant's signed statement as to the value or amount of income
9 shall be deemed to constitute verification.

10 (e) An applicant shall pay in full any family contributions
11 owed in arrears for any health, dental, or vision coverage
12 provided by the program within the prior 12 months.

13 *SEC. 2. Section 12693.98 of the Insurance Code is amended*
14 *to read:*

15 12693.98. (a) (1) The Medi-Cal-to-Healthy Families Bridge
16 Benefits Program is hereby established to provide any child who
17 meets the criteria set forth in subdivision (b) with ~~a one~~
18 ~~calendar-month period of health care benefits in order to provide~~
19 ~~the child with an opportunity to apply for the Healthy Families~~
20 ~~Program established under Chapter 16 (commencing with~~
21 ~~Section 12693) continuing health care benefits until the board~~
22 ~~has determined the child's eligibility for the Healthy Families~~
23 ~~Program.~~

24 (2) The Medi-Cal-to-Healthy Families Bridge Benefits
25 Program shall be administered by the board.

26 (b) (1) Any child who meets ~~all of the following requirements~~
27 ~~shall be eligible for one calendar month of Healthy Families~~
28 ~~benefits funded by Title XXI of the Social Security Act, known~~
29 ~~as the State Children's Health Insurance Program~~ *health care*
30 *benefits under the Medi-Cal-to-Healthy Families Bridge Benefits*
31 *Program:*

32 (A) He or she has been receiving, but is no longer eligible for,
33 full-scope Medi-Cal benefits without a share of cost:

34 ~~(B) He or he or she is eligible for full-scope Medi-Cal benefits~~
35 ~~with a share of cost.~~

36 ~~(C)~~

37 ~~(B) He or she is under 19 years of age at the time he or she is~~
38 ~~no longer eligible for full-scope Medi-Cal benefits without a~~
39 ~~share of cost otherwise appears to meet the eligibility criteria for~~
40 ~~the Healthy Families Program.~~

1 ~~(D) He or she has family income at or below 200 percent of~~
2 ~~the federal poverty level.~~

3 ~~(E) He or she is not otherwise excluded under the definition of~~
4 ~~targeted low-income child under subsections (b)(1)(B)(ii),~~
5 ~~(b)(1)(C), and (b)(2) of Section 2110 of the Social Security Act~~
6 ~~(42 U.S.C. Secs. 1397jj(b)(1)(B)(ii), 1397jj(b)(1)(C), and~~
7 ~~1397jj(b)(2)).~~

8 (2) ~~The one calendar month of~~ benefits under this chapter shall
9 begin on the first day of the month following the last day of the
10 receipt of *Medi-Cal* benefits without a share of cost *and shall*
11 *continue until the board has determined whether the child is*
12 *eligible for the Healthy Families Program. If the board*
13 *determines that the child is eligible for the Healthy Families*
14 *Program, the board shall enroll the child in the Healthy Families*
15 *Program without an interruption in coverage. If the board*
16 *determines that the child is ineligible for the Healthy Families*
17 *Program, the department shall terminate the child's benefits*
18 *under the Medi-Cal-to-Healthy Families Bridge Benefits*
19 *Program in accordance with due process requirements.*

20 (c) The income methodology for determining a child's family
21 income, as required by paragraph (1) of subdivision (b) shall be
22 the same methodology used in determining a child's eligibility
23 for the full scope of Medi-Cal benefits.

24 (d) ~~The one calendar month period scope~~ of Healthy Families
25 benefits provided under this chapter shall be identical to the
26 scope of benefits that the child was receiving under the Medi-Cal
27 program without a share of cost.

28 (e) ~~The one calendar month period of~~ Healthy Families
29 benefits provided under this chapter shall only be made available
30 through a Medi-Cal provider or under a Medi-Cal managed care
31 arrangement or contract.

32 (f) ~~Except as provided in subdivision (j), nothing in this~~
33 ~~section shall be construed to provide Healthy Families benefits~~
34 ~~for more than a one calendar month period under any~~
35 ~~circumstances, including the failure to apply for benefits under~~
36 ~~the Healthy Families Program or the failure to be made aware of~~
37 ~~the availability of the Healthy Families Program, unless the~~
38 ~~circumstances described in subdivision (b) reoccur.~~

~~(g) (1) This section shall become operative on the first day of the second month following the effective date of this section, subject to paragraph (2).~~

~~(2) Under no circumstances shall this section become operative until, and shall be implemented only to the extent that, all necessary federal approvals, including approval of any amendments to the State Child Health Plan have been sought and obtained and federal financial participation under the federal State Children's Health Insurance Program, as set forth in Title XXI of the Social Security Act, has been approved.~~

~~(h) This section shall become inoperative if an unappealable court decision or judgment determines that any of the following apply:~~

~~(1) The provisions of this section are unconstitutional under the United States Constitution or the California Constitution.~~

~~(2) The provisions of this section do not comply with the State Children's Health Insurance Program, as set forth in Title XXI of the Social Security Act.~~

~~(3) The provisions of this section require that the health care benefits provided pursuant to this section are required to be furnished for more than two calendar months.~~

~~(i) If the State Child Health Insurance Program waiver described in Section 12693.755 is approved, and at the time the waiver is implemented, the benefits described in this section shall also be available to persons who meet the eligibility requirements of the program and are parents of, or, as defined by the board, adults responsible for, children enrolled to receive coverage under this part or enrolled to receive full scope Medi-Cal services with no share of cost.~~

~~(j) The one month of benefits provided in this section shall be increased to two months commencing on implementation of the waiver referred to in Section 12693.755.~~

~~(g) The department and the board may exchange a child's case file solely for the purpose of determining the child's eligibility for the Medi-Cal program or the Healthy Families Program, without requiring the family's consent.~~

~~SEC. 3. Section 12693.981 of the Insurance Code is amended to read:~~

~~12693.981. (a) (1) The Healthy Families-to-Medi-Cal Bridge Benefits Program is hereby established to provide any~~

1 person enrolled for coverage under this part who meets the
2 criteria set forth in subdivision (b) with ~~a two-calendar-month~~
3 ~~period of continuing health care benefits in order to provide the~~
4 ~~person with an opportunity to apply for until the person's~~
5 ~~eligibility for the Medi-Cal program has been determined.~~

6 (2) The Healthy Families-to-Medi-Cal Bridge Benefits
7 Program shall be administered by the board.

8 (b) (1) Any person who meets all of the following
9 requirements shall be eligible for ~~two additional calendar months~~
10 ~~of health care benefits under the Healthy Families~~
11 ~~Families-to-Medi-Cal Bridge benefits Benefits Program:~~

12 (A) He or she has been receiving, but is no longer eligible for,
13 benefits under the ~~program~~ Healthy Families Program.

14 (B) He or she appears to be income eligible for full-scope
15 Medi-Cal benefits without a share of cost.

16 (2) ~~The two additional calendar months of~~ benefits under this
17 chapter shall begin on the first day of the month following the
18 last day of the person's eligibility for benefits under the ~~program~~
19 *Healthy Families Program* and shall continue, at minimum, until
20 *the person's eligibility for the Medi-Cal program has been*
21 *determined and the Medi-Cal Benefits Identification Card has*
22 *been issued and activated. If the department determines that the*
23 *person is eligible for the Medi-Cal program, the department*
24 *shall enroll the person in the Medi-Cal program with no*
25 *interruption in coverage. If the department determines that the*
26 *person is ineligible for the Medi-Cal program, the board shall*
27 *terminate the person's benefits under the Healthy*
28 *Families-to-Medi-Cal Bridge Benefits Program in accordance*
29 *with due process requirements.*

30 (c) ~~The two-calendar-month period of Healthy Families scope~~
31 ~~of Medi-Cal program~~ benefits provided under this chapter shall
32 be identical to the scope of benefits that the person was receiving
33 under the ~~program~~ Healthy Families Program.

34 (d) ~~Nothing in this section shall be construed to provide~~
35 ~~Healthy Families benefits for more than a two-calendar-month~~
36 ~~period under any circumstances, including the failure to apply for~~
37 ~~benefits under the Medi-Cal program or the failure to be made~~
38 ~~aware of the availability of the Medi-Cal program unless the~~
39 ~~circumstances described in subdivision (b) reoccur.~~

~~(e) This section shall become inoperative if an unappealable court decision or judgment determines that any of the following apply:~~

~~(1) The provisions of this section are unconstitutional under the United States Constitution or the California Constitution.~~

~~(2) The provisions of this section do not comply with the State Children's Health Insurance Program, as set forth in Title XXI of the federal Social Security Act.~~

~~(3) The provisions of this section require that the health care benefits provided pursuant to this section are required to be furnished for more than two calendar months. The board shall not require a person receiving health care benefits under the Healthy Families-to-Medi-Cal Bridge Benefits Program to pay a premium.~~

~~(e) The department and the board may exchange a child's case file solely for the purpose of determining the child's eligibility for the Medi-Cal Program or the Healthy Families Program, without requiring the family's consent.~~

SEC. 4. Chapter 17 (commencing with Section 12694) is added to Part 6.2 of Division 2 of the Insurance Code, to read:

CHAPTER 17. THE CALIFORNIA HEALTHY KIDS INSURANCE PROGRAM

12694. (a) The California Healthy Kids Insurance Program is hereby created.

(b) The Managed Risk Medical Insurance Board and the State Department of Health Services shall continue to administer the Healthy Families Program and the Medi-Cal program, respectively, in accordance with all existing requirements. The board and department shall coordinate their respective administrations of each program under the California Healthy Kids Insurance Program that provides health care coverage for all eligible children, and that shall consist of and incorporate by this reference, all of the provisions of the Healthy Families Program and of the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) unless otherwise provided by this chapter.

(c) The Healthy Families Program and the Medi-Cal program shall provide health care coverage to children who qualify for

1 *the California Healthy Kids Insurance Program under this*
2 *chapter.*

3 *(d) The confidentiality and privacy protections set forth in*
4 *Sections 10500 and 14100.2 of the Welfare and Institutions*
5 *Code, shall apply to all children who seek, apply for, or are*
6 *enrolled in the California Healthy Kids Insurance Program,*
7 *including children who seek, apply for, or are enrolled under the*
8 *provisions of the Healthy Families Program.*

9 *12694.1. (a) As used in this chapter, “California Healthy*
10 *Kids Insurance Program” shall be deemed to refer jointly to the*
11 *Healthy Families Program for children under 19 years of age*
12 *and the portions of the Medi-Cal program that provide health*
13 *care coverage to persons under 21 years of age. As used in this*
14 *chapter, “department” shall mean the State Department of*
15 *Health Services and “administering agencies” shall be deemed*
16 *to refer to the board or department, as applicable. The*
17 *implementation of duties and responsibilities of the California*
18 *Healthy Kids Insurance Program shall be the responsibility of*
19 *the board, to the extent that the duties and responsibilities relate*
20 *to the Healthy Families Program, or of the department, to the*
21 *extent that the duties and responsibilities relate to the Medi-Cal*
22 *program. The implementation of duties and responsibilities that*
23 *require the participation of both agencies shall be performed*
24 *jointly, as coordinated between them by agreement.*

25 *(b) The administering agencies shall operate the California*
26 *Healthy Kids Insurance Program in a coordinated and seamless*
27 *manner with respect to children who seek, apply for, or are*
28 *enrolled in the Medi-Cal program or the Healthy Families*
29 *Program. Both administering agencies shall coordinate*
30 *enrollment, renewal, eligibility, and outreach activities, and shall*
31 *assign clear lines of responsibility for all associated agency*
32 *activities. A child enrolled in either the Healthy Families*
33 *Program or the Medi-Cal program shall be deemed to be*
34 *enrolled in the California Healthy Kids Insurance Program. It is*
35 *the intent of the Legislature that from the child’s perspective,*
36 *there shall appear to be a single program, even if the details are*
37 *handled by two programs, agencies, and funding sources.*

38 *12694.2. (a) The board and the department, in collaboration*
39 *with representatives of the programs referenced in subdivision*
40 *(b), local agencies that administer the Medi-Cal program,*

1 providers, advocates, information technology specialists, and
2 other stakeholders, shall design, implement, and promulgate
3 policies and procedures for an automated enrollment gateway
4 system within the California Healthy Kids Insurance Program
5 that performs, but is not limited to performing, the following
6 functions:

7 (1) Allowing children applying to the programs referenced in
8 subdivision (b) to submit a simple electronic application to
9 simultaneously preenroll and apply for enrollment into the
10 Medi-Cal program or the Healthy Families Program with the
11 consent of their parent or guardian.

12 (2) Establishing an electronic transactional platform that is
13 connected to the simple electronic application referenced in
14 paragraph (1) and allowing for an interface between that
15 application, MEDS, and the Medi-Cal program or the Healthy
16 Families Program, as relevant.

17 (3) Providing an automated, real-time connection with MEDS
18 for the purpose of checking an applicant's enrollment status.

19 (4) Allowing for the electronic transfer of information to the
20 Medi-Cal program or the Healthy Families Program, as
21 relevant, for the purpose of making the final eligibility
22 determination.

23 (5) Checking, as relevant, available government databases for
24 the purpose of electronically receiving information that is
25 necessary to allow the Medi-Cal program or the Healthy
26 Families Program to complete the eligibility determination.

27 (b) The automated enrollment gateway system shall be
28 constructed with the capacity to be used, at a minimum, by
29 entities operating the following programs: the Child Health and
30 Disability Program (CHDP), the CHDP Gateway program, the
31 National School Lunch Program, the Food Stamp program, and
32 the California Special Supplemental Nutrition Program for
33 Women, Infants, and Children.

34 (c) The simple electronic application described in paragraph
35 (1) of subdivision (a) shall contain the information necessary to
36 apply for the automated enrollment gateway system,
37 supplemented as minimally necessary under federal law to apply
38 for enrollment into the Medi-Cal program or the Healthy
39 Families Program.

1 (d) *Benefits for applicants opting to simultaneously pre-enroll*
2 *and apply for enrollment under this section shall continue until a*
3 *final eligibility determination is made for the Medi-Cal program*
4 *or the Healthy Families Program pursuant to Section 14011.8 of*
5 *the Welfare and Institutions Code.*

6 (e) *Deployment of the automated enrollment gateway system*
7 *shall begin with CHDP. Deployment of the automated enrollment*
8 *gateway system for the other programs referenced in subdivision*
9 *(b) shall occur within a timely and appropriate period as*
10 *determined by the department and board, in consultation with the*
11 *stakeholders as provided in subdivision (a).*

12 (f) *The income and residency information collected by the*
13 *programs referenced in subdivision (b) shall satisfy the Medi-Cal*
14 *program or the Healthy Families Program documentation*
15 *requirements for applications submitted through the automated*
16 *enrollment gateway system.*

17 (g) *The confidentiality and privacy protections set forth in*
18 *Sections 10500 and 14100.2 of the Welfare and Institutions Code*
19 *shall apply to all children and families using the automated*
20 *enrollment gateway system as described in this section.*

21 (h) *The state shall promote and offer support for the use of the*
22 *simple electronic application and the automated enrollment*
23 *gateway system.*

24 12694.3. *Once enrolled, no child shall be terminated from the*
25 *California Healthy Kids Insurance Program until the board or*
26 *department reviews the child's eligibility for the Healthy*
27 *Families Program and the Medi-Cal program under all possible*
28 *grounds and completes an eligibility redetermination for all*
29 *Medi-Cal and Healthy Families programs, consistent with all*
30 *due process requirements including, but not limited to, the*
31 *procedures in Section 14005.37 of the Welfare and Institutions*
32 *Code.*

33 12694.4. *The California Healthy Kids Insurance Program*
34 *shall educate families about the legal right to transfer to lower*
35 *premium levels in the Healthy Families Program or to no-cost*
36 *Medi-Cal if the child's family income decreases and shall also*
37 *implement provisions to enroll a child in the most beneficial*
38 *program for which the child is eligible. The California Healthy*
39 *Kids Insurance Program shall use the Medi-Cal-to-Healthy*
40 *Families Bridge Benefits Program in Section 12693.98 and the*

1 *Healthy Families-to-Medi-Cal Bridge Benefits Program in*
2 *Section 12693.981 to transfer children who are eligible for a*
3 *lower premium tier under the Healthy Families Program or*
4 *no-cost Medi-Cal into the appropriate program. Lower*
5 *premiums or no-cost coverage shall begin at the time the*
6 *department or board learns that the child may be eligible for a*
7 *lower premium tier or no-cost Medi-Cal.*

8 *12694.5. (a) The California Healthy Kids Insurance*
9 *Program shall notify families of their child's renewal date by*
10 *including notifications on, or in conjunction with, regular*
11 *communications to families, such as premium payment*
12 *statements or insurance cards.*

13 *(b) The board and the department shall establish simplified*
14 *annual renewal forms for individuals enrolled in the Healthy*
15 *Families Program and for individuals enrolled in the Medi-Cal*
16 *program, respectively. The forms shall be prepopulated with all*
17 *enrolled family members' known eligibility information and*
18 *include a simple checkoff list for family members to identify*
19 *whether each eligibility information item remains correct. The*
20 *renewal form shall also request that children and families*
21 *provide any changes to the prepopulated eligibility information*
22 *on the form.*

23 *(c) The California Healthy Kids Insurance Program shall*
24 *establish a process to allow families to renew their coverage by*
25 *telephone.*

26 *12694.6. The California Healthy Kids Insurance Program*
27 *shall develop strategies to promote voluntary employer*
28 *participation to provide health care coverage for employees'*
29 *children. The employer participation options shall be designed to*
30 *offer health care coverage to children through arrangements that*
31 *are affordable and efficient for employers and families,*
32 *considering in particular the way in which new opportunities for*
33 *employer participation would interact with current practices and*
34 *patterns in employer-sponsored health care coverage for*
35 *employees' dependents.*

36 *12694.7. The board and department shall consult with*
37 *consumer advocates and other stakeholders in the*
38 *implementation of this chapter, including, but not limited to, the*
39 *development and distribution of policies, procedures and all*
40 *county letters.*

1 *SEC. 5. Section 12699.51 of the Insurance Code is amended*
2 *to read:*

3 12699.51. For the purposes of this part, the following
4 definitions shall apply:

5 (a) “Account” means the Local Children’s Health Insurance
6 Program Interim Account.

7 (b) “Administrative costs” means those expenses that are
8 described in Section 1397ee(a)(1)(D) of Title 42 of the United
9 States Code.

10 ~~(b)–~~
11 (c) “Adult” means an uninsured parent of, or, as defined by the
12 board, a person 19 years of age or older responsible for, a child
13 enrolled to receive coverage under Part 6.2 (commencing with
14 Section 12693) or who is enrolled to receive the full scope of
15 Medi-Cal services with no share of cost.

16 ~~(e)–~~
17 (d) “Applicant” means a county, county agency, a local
18 initiative, or a county organized health system.

19 ~~(d)–~~
20 (e) “Board” means the Managed Risk Medical Insurance
21 Board.

22 ~~(e)–~~
23 (f) “Child” means a person under 19 years of age.

24 ~~(f)–~~
25 (g) “Comprehensive health insurance coverage” means the
26 coverage described in Section 12693.60.

27 ~~(g)–~~
28 (h) “County organized health system” means a health system
29 implemented pursuant to Article 2.8 (commencing with Section
30 14087.5) of Chapter 7 of Part 3 of Division 9 of the Welfare and
31 Institutions Code and Article 1 (commencing with Section
32 101675) of Chapter 3 of Part 4 of Division 101 of the Health and
33 Safety Code.

34 ~~(h)–~~
35 (i) “Fund” means the County Health Initiative Matching Fund.

36 ~~(i)–~~
37 (j) “Local children’s health insurance program” means
38 well-established and documented county or regional coalitions
39 that, as of June 30, 2006, provide for the administration of
40 comprehensive health care coverage to children who do not

1 *qualify for either the Healthy Families Program (Part 6.2*
2 *(commencing with Section 12693)) or full-scope Medi-Cal*
3 *(Chapter 7 (commencing with Section 14000) of Part 3 of*
4 *Division 9 of the Welfare and Institutions Code) without a share*
5 *of cost. Local children's health insurance programs include, but*
6 *are not limited to, such programs as the Children's Health*
7 *Initiative of Alameda, the Children's Health Initiative of Fresno,*
8 *the Children's Health Initiative of Kern, the Children's Health*
9 *Initiative of Los Angeles, the Children's Health Initiative of*
10 *Napa, the Children's Health Initiative of Riverside, the*
11 *Children's Health Initiative of San Bernardino, the Children's*
12 *Health Initiative of San Francisco, the Children's Health*
13 *Initiative of San Joaquin, the Children's Health Initiative of San*
14 *Luis Obispo, the Children's Health Initiative of San Mateo, the*
15 *Children's Health Initiative of Santa Barbara, the Children's*
16 *Health Initiative of Santa Clara, the Children's Health Initiative*
17 *of Santa Cruz, the Children's Health Initiative of Solano, the*
18 *Children's Health Initiative of Sonoma, the Children's Health*
19 *Initiative of Tulare, and the Children's Health Initiative of Yolo.*

20 (k) "Local initiative" has the same meaning as set forth in
21 Section 12693.08.

22 SEC. 6. Section 12699.52 of the Insurance Code is amended
23 to read:

24 12699.52. (a) The County Health Initiative Matching Fund is
25 hereby created within the State Treasury. The fund shall accept
26 intergovernmental transfers *and other funds* as follows:

27 (1) The nonfederal matching fund requirement for federal
28 financial participation through the State Children's Health
29 Insurance Program (Subchapter 21 (commencing with Section
30 1397aa) of Chapter 7 of Title 42 of the United States Code).

31 (2) Funding associated with a proposal approved pursuant to
32 subdivision (g) of Section 12699.53.

33 (3) *Funding deposited into the Local Children's Health*
34 *Insurance Program Interim Account pursuant to Section*
35 *12699.64.*

36 (b) Amounts deposited in the fund shall be used only for the
37 purposes specified by this part.

38 (c) The board shall administer this fund and the provisions of
39 this part in collaboration with the State Department of Health
40 Services for the express purpose of allowing local funds to be

1 used to facilitate increasing the state's ability to utilize federal
2 funds available to California and for costs associated with a
3 proposal pursuant to subdivision (g) of Section 12699.53. *Funds*
4 *deposited into the Local Children's Health Insurance Program*
5 *Interim Account shall be used for the purpose specified in*
6 *Section 12699.65.* Federal funds shall be used prior to the
7 expiration of their authority for programs designed to improve
8 and expand access for uninsured persons.

9 (d) The board shall authorize the expenditure of money in the
10 fund to cover program expenses, including cost to the state to
11 administer the program.

12 SEC. 7. *Section 12699.64 is added to the Insurance Code, to*
13 *read:*

14 *12699.64. There is established within the County Health*
15 *Initiative Matching Fund, the Local Children's Health Insurance*
16 *Program Interim Account. The board shall administer the*
17 *account and shall not expend an amount for purposes of Section*
18 *12699.65 that exceeds the amount appropriated for those*
19 *purposes in the Budget Act of 2006, or in any subsequent annual*
20 *Budget Act.*

21 SEC. 8. *Section 12699.65 is added to the Insurance Code, to*
22 *read:*

23 *12699.65. (a) Notwithstanding any other provision of this*
24 *part, a local children's health insurance program may submit a*
25 *proposal to the board for the purpose of augmenting local*
26 *funding for payment of premiums, based on the Healthy Families*
27 *Community Provider Plan rate, for children who are under 19*
28 *years of age and whose family income is at or below 300 percent*
29 *of the federal poverty level. The board shall begin accepting*
30 *funding proposals under this section not later than 45 days after*
31 *the date funds are appropriated to the account pursuant to*
32 *Section 12699.64.*

33 *(b) The board shall review each funding proposal submitted*
34 *by a local children's health insurance program and allocate*
35 *funds to each proposal within 30 days of receipt of the proposal.*
36 *The allocation amount shall be based on the 2003 California*
37 *Health Interview Survey estimated number of children without*
38 *health care coverage in the county. Expenditures against the*
39 *allocation shall not exceed 40 percent of the total premiums for*
40 *the actual subscriber enrollment or projected enrollment in the*

1 *local children's health insurance program based on uniform*
2 *projection criteria to be developed by the board. The total*
3 *amount of all allocations shall not exceed the annual*
4 *appropriation for the account.*

5 *(c) The local children's health insurance programs shall seek*
6 *to coordinate with existing state and federal program funding.*

7 *SEC. 9. Section 12699.66 is added to the Insurance Code, to*
8 *read:*

9 *12699.66. The board may audit the expenses incurred by the*
10 *local children's health insurance program to ensure that the*
11 *funds are expended for premiums and augment local funding for*
12 *payment of premiums, as required by this part and recover or*
13 *withhold all or part of an allocation to a local children's health*
14 *insurance program based solely on this criteria. In conducting*
15 *the audit, the board shall comply with the confidentiality and*
16 *privacy protections set forth in Sections 10500 and 14100.2 of*
17 *the Welfare and Institutions Code.*

18 *SEC. 10. Section 14011.65 of the Welfare and Institutions*
19 *Code is amended to read:*

20 *14011.65. (a) To the extent allowed under federal law and*
21 *only if federal financial participation is available under Title XXI*
22 *of the Social Security Act (42 U.S.C. Sec. 1397aa et seq.), the*
23 *state shall administer the Medi-Cal to Healthy Families*
24 *Accelerated Enrollment program, to provide any child who meets*
25 *the criteria set forth in subdivision (b) with temporary health*
26 *benefits for the period described in paragraph (2) of subdivision*
27 *(b), as established under Part 6.2 (commencing with Section*
28 *12693) of Division 2 of the Insurance Code.*

29 *(b) (1) Any child who meets all of the following requirements,*
30 *shall be eligible for temporary health benefits under this section:*

31 *(A) The child, or his or her parent or guardian, submits an*
32 *application for the Medi-Cal program or the Healthy Families*
33 *Program directly to the county.*

34 *(B) The child's income, as determined on the basis of the*
35 *application described in subparagraph (A), is within the income*
36 *limits established by the Healthy Families Program.*

37 *(C) The child is under 19 years of age at the time of the*
38 *application.*

1 ~~(D) The county determines, on the basis of the application~~
2 ~~described in subparagraph (A), that the child is eligible for~~
3 ~~full-scope Medi-Cal with a share of cost.~~

4 ~~(E) The child is not receiving Medi-Cal or Healthy Families~~
5 ~~benefits at the time that the application is submitted.~~

6 ~~(F) The child, or his or her parent or guardian, gives, or has~~
7 ~~given consent for the application to be shared with the Healthy~~
8 ~~Families Program for purposes of determining the child's~~
9 ~~Healthy Families Program eligibility.~~

10 (2) The period of accelerated eligibility provided for under this
11 section begins on the first day of the month that the county finds
12 that the child meets all of the criteria described in paragraph (1)
13 and concludes on the last day of the month that the child either is
14 ~~fully enrolled in~~ *for on-going benefits in the Healthy Families*
15 ~~Program and has been issued an activated benefits card for the~~
16 ~~Healthy Families Program, or has been determined ineligible for~~
17 ~~the Healthy Families Program.~~

18 (3) For any child who meets the requirements for temporary
19 health benefits under this section, the county shall forward to the
20 Healthy Families Program sufficient information from the child's
21 application to determine eligibility for the Healthy Families
22 Program. To the extent possible, submission of that information
23 to the Healthy Families Program shall be accomplished using an
24 electronic process developed for use in the Medi-Cal-to-Healthy
25 Families Bridge Benefits Program. The department shall give the
26 Healthy Families Program a daily electronic file of all children
27 provided temporary health benefits pursuant to this section.

28 (4) The temporary health benefits provided under this section
29 shall be identical to the benefits provided to children who receive
30 full-scope Medi-Cal benefits without a share of cost and shall
31 only be made available through a Medi-Cal provider.

32 (c) The department, in consultation with the Managed Risk
33 Medical Insurance Board and representatives of the local
34 agencies that administer the Medi-Cal program, consumer
35 advocates, and other stakeholders, shall develop and distribute
36 the policies and procedures, including any all-county letters,
37 necessary to implement this section.

38 (d) Notwithstanding Chapter 3.5 (commencing with Section
39 11340) of Part 1 of Division 3 of Title 2 of the Government
40 Code, the department shall implement this section by means of

1 all-county letters or similar instructions, without taking any
2 further regulatory action. Thereafter, the department may adopt
3 regulations, as necessary, to implement this section in accordance
4 with the requirements of Chapter 3.5 (commencing with Section
5 11340) of Part 1 of Division 3 of Title 2 of the Government
6 Code.

7 (e) The department shall seek approval of any amendments to
8 the state plan necessary to implement this section, in accordance
9 with Title XIX (42 U.S.C. Sec. 1396 et seq.) of the Social
10 Security Act. Notwithstanding any other provision of law, only
11 when all necessary federal approvals have been obtained shall
12 this section be implemented.

13 (f) Under no circumstances shall this section be implemented
14 unless the state has sought and obtained approval of any
15 amendments to its state plan, as described in Section 12693.50 of
16 the Insurance Code, necessary to implement this section and
17 obtain funding under Title XXI of the Social Security Act (42
18 U.S.C. Sec. 1397aa et seq.) for the provision of benefits provided
19 under this section. Notwithstanding any other provision of law,
20 and only when all necessary federal approvals have been
21 obtained by the state, this section shall be implemented only to
22 the extent federal financial participation under Title XXI of the
23 Social Security Act (42 U.S.C. Sec. 1397aa et seq.) is available
24 to fund benefits provided under this section.

25 (g) The department shall commence implementation of this
26 section on the first day of the third month following the month in
27 which federal approval of the state plan amendment or
28 amendments described in subdivision (f), and subdivision (b) of
29 Section 12693.50 of the Insurance Code is received, or on
30 August 1, 2006, whichever is later.

31 *SEC. 11. Section 14067.3 is added to the Welfare and*
32 *Institutions Code, to read:*

33 *14067.3. (a) (1) The department shall maintain an*
34 *allocation program for the management and funding of county*
35 *outreach, enrollment, and retention plans.*

36 *(2) For the purposes of this section, "county outreach,*
37 *enrollment, and retention plan" means a two-year county*
38 *outreach program designed by both the county and coalitions of*
39 *community-based organizations, schools, clinics, labor*
40 *organizations, and other safety net providers for the purpose of*

1 *promoting children's enrollment and retention in health care*
2 *coverage programs and the utilization of local and state public*
3 *health care coverage programs.*

4 *(3) Funding for this allocation program shall be provided by*
5 *an appropriation in the annual Budget Act or other statute.*

6 *(b) (1) Every county is eligible to submit a county outreach,*
7 *enrollment, and retention plan. Only one county outreach,*
8 *enrollment, and retention plan may be submitted on behalf of*
9 *each county.*

10 *(2) Each county outreach, enrollment, and retention plan shall*
11 *include, at minimum, the following information:*

12 *(A) Demonstration that the plan is the result of an active*
13 *collaboration between the county and a wide range of*
14 *organizations such as community-based organizations, schools,*
15 *clinics, consumer advocates, labor organizations, and other*
16 *safety net providers.*

17 *(B) Identification and description of local strategies and*
18 *innovations to be instituted in the two-year period following*
19 *submission of the plan to promote children's enrollment and*
20 *retention in health care coverage programs and access to local*
21 *and state public health care coverage programs and the*
22 *utilization of those programs.*

23 *(C) A proposed budget of all expenditures expected to be*
24 *incurred in the two fiscal years for the county's outreach,*
25 *enrollment, and retention plan's activities, expenses, services,*
26 *materials, and support.*

27 *(D) Identification and designation of a local fiscal agent for*
28 *the purpose of receiving and distributing allocations under this*
29 *section.*

30 *(E) Establishment of an oversight, performance management*
31 *and review program to ensure that the submitted county*
32 *outreach, enrollment, and retention plan is properly implemented*
33 *and administered. The review program shall also include*
34 *outcome measures such as the number of children enrolled in*
35 *health care coverage, the percentage of children retained in that*
36 *coverage after one year, if available, the number of children*
37 *receiving enrollment assistance who were denied coverage and*
38 *the reasons for the denial, and documented performance*
39 *improvements in the number of children accessing and remaining*
40 *in health care coverage. The evaluation shall document problems*

1 children face in enrolling, remaining enrolled, or accessing
2 health care coverage, with recommendations for improving the
3 California Healthy Kids Insurance Program.

4 (3) A county outreach, enrollment, and retention plan may, but
5 is not required to, include the establishment, promotion, or
6 support of any of the following:

7 (A) A system for supplanting enrollment fees by certified
8 application assistants.

9 (B) A method of countywide application assistance training
10 and certification.

11 (C) Incentive payments to certified application assistants to
12 encourage enrollment of children in local and state public health
13 care coverage programs.

14 (D) Support for local participation in the automated
15 enrollment gateway established pursuant to Section 12694.2 of
16 the Insurance Code.

17 (E) The provision of grants to community-based organizations
18 for enrollment and retention assistance.

19 (F) Health care access education.

20 (G) Coordinated retention strategies.

21 (H) The creation of a premium hardship fund or sponsorship
22 programs to help children in the region to pay required
23 premiums for enrollment in the California Healthy Kids
24 Insurance Program.

25 (I) Strategies for accessing health care coverage through
26 multiple public sources.

27 (J) Improvement to data collection and reporting systems.

28 (c) (1) In accordance with paragraph (2) of subdivision (b)
29 and in conjunction with the Managed Risk Medical Insurance
30 Board, the director shall establish the standards with which a
31 county outreach, enrollment, and retention plan shall comply for
32 the purposes of obtaining and using an allocation authorized by
33 this section.

34 (2) The director shall establish the procedures, including
35 specifying the timeframe during which a county may submit an
36 outreach, enrollment, and retention plan, and the format for
37 submission of the county outreach, enrollment, and retention
38 plan's request for a two-year allocation as authorized by this
39 section.

1 (3) *In accordance with subparagraph (C) of paragraph (2) of*
2 *subdivision (b), the director shall establish the procedures by*
3 *which the county's allocation is distributed to the fiscal agent*
4 *identified in each county's outreach, enrollment, and retention*
5 *plan.*

6 (d) (1) *Notwithstanding any other provision of law, the*
7 *department may in a manner provided by the director, allocate*
8 *an amount to fund the county's outreach, enrollment, and*
9 *retention plan. The allocation shall be made to the fiscal agent*
10 *designated in the plan. The total amount of all allocations shall*
11 *not exceed the annual appropriation for the implementation of*
12 *this section.*

13 (2) *The director shall make an allocation to the fiscal agent*
14 *designated in each county outreach, enrollment, and retention*
15 *plan if the plan complies with the standards, procedures, and*
16 *format described in subdivision (c).*

17 (3) *Each county outreach, enrollment, and retention plan*
18 *described in paragraph (2) shall receive a minimum baseline*
19 *allocation as determined by the director in collaboration with the*
20 *Managed Risk Medical Insurance Board. The county outreach,*
21 *enrollment, and retention plan shall also receive an additional*
22 *allocation based on the 2003 California Health Interview Survey*
23 *estimated number of children without health care coverage in the*
24 *county.*

25 (4) *Funds remaining after the director makes allocations to*
26 *counties described in paragraph (2) shall remain as part of the*
27 *allocation program to be distributed in subsequent years to*
28 *counties for the purposes described in this section.*

29 (e) *No allocation shall be made under this section for any of*
30 *the following:*

31 (1) *Projects or programs not specifically identified and*
32 *approved by the director as part of the county's submitted*
33 *outreach, enrollment, and retention plan upon which the*
34 *allocation was made.*

35 (2) *Capital improvements.*

36 (3) *The purchase or construction of land or buildings.*

37 (4) *Work performed by the county, or entities receiving any of*
38 *the allocation funds through the county, that is reimbursed by*
39 *allocation assistance fees, as provided for in Section 12693.32 of*
40 *the Insurance Code, or reimbursed by the Medi-Cal*

1 *Administrative Claiming process, as provided for in Section*
2 *14132.47.*

3 *(f) If an activity is eligible for funding by the Medi-Cal*
4 *Administrative Claiming process, an allocation under this*
5 *section shall be available only to the extent that it does not*
6 *jeopardize the receipt of federal matching funds. The allocations*
7 *may only be used to fund activities in accordance with the*
8 *county's approved outreach, enrollment, and retention plan and*
9 *budget.*

10 *(g) The department may recover or withhold all or part of an*
11 *allocation for failure to comply with the standards set forth in the*
12 *county outreach, enrollment, and retention plan upon which the*
13 *allocation was based.*

14 *(h) The department shall reimburse a county pursuant to this*
15 *section in lieu of commencing a cooperative agreement or*
16 *contract with a county for the operation of the county's outreach,*
17 *enrollment, and retention plan.*

18 *(i) The department and the Managed Risk Medical Insurance*
19 *Board shall seek approval of any amendments to the state plan*
20 *necessary to implement this section for purposes of funding*
21 *under Title XIX (42 U.S.C. Sec. 1396 et seq.) and Title XXI (42*
22 *U.S.C. 1397aa et seq.) of the federal Social Security Act. It is the*
23 *intent of the Legislature that this section maximize federal*
24 *matching funds made available to the state for children's health*
25 *coverage under those provisions.*

26 *SEC. 12. Notwithstanding any other provision of law,*
27 *Sections 2 and 3 of this act shall be implemented only to the*
28 *extent that funds are appropriated for the purposes of those*
29 *sections in the annual Budget Act or in another statute. To the*
30 *extent that funds are appropriated for only a portion of the*
31 *changes enacted pursuant to those sections of this act, those*
32 *changes for which funds are appropriated shall be implemented.*

33 *SEC. 13. If the Commission on State Mandates determines*
34 *that this act contains costs mandated by the state, reimbursement*
35 *to local agencies and school districts for those costs shall be*
36 *made pursuant to Part 7 (commencing with Section 17500) of*
37 *Division 4 of Title 2 of the Government Code.*

**All matter omitted in this version of the bill
appears in the bill as amended in the
Assembly, 09/02/05.**

CORRECTIONS:

Authors - Lines 1 and 3.

O